



MONGOLIAN
STOCK EXCHANGE

2017 *E-Newsletter*

AUGUST

53rd edition



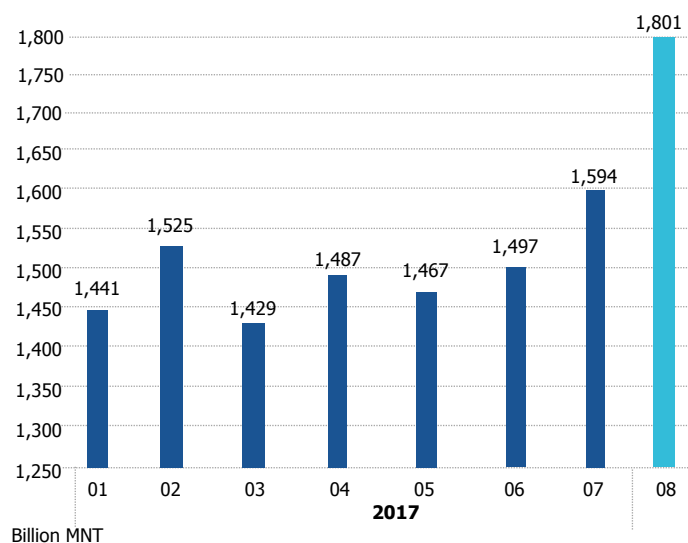


Market update

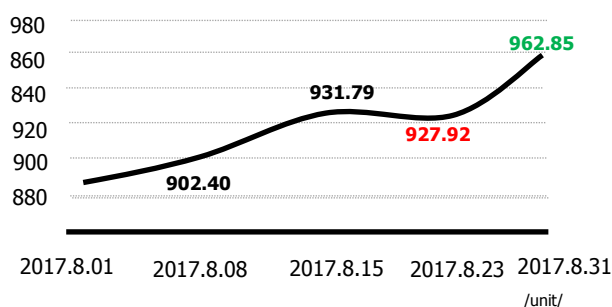
/As of August 31, 2017/

1. Number of trading day	23
2. Total value of trading /MNT/	66,165,174,545.35
<i>Stock</i>	4,427,864,154.35
<i>Government bond /primary/</i>	52,233,533,591
<i>Government bond /secondary/</i>	9,503,776,800
<i>Corporate bonds /primary/</i>	0
<i>Corporate bonds /secondary/</i>	0
3. Total number of traded securities	4,438,715
<i>Stock</i>	3,794,738
<i>Government bond /primary/</i>	547,237
<i>Government bond /secondary/</i>	96,740
<i>Corporate bonds/primary/</i>	0
<i>Corporate bonds /secondary/</i>	0
4. Total number of trades	2,965

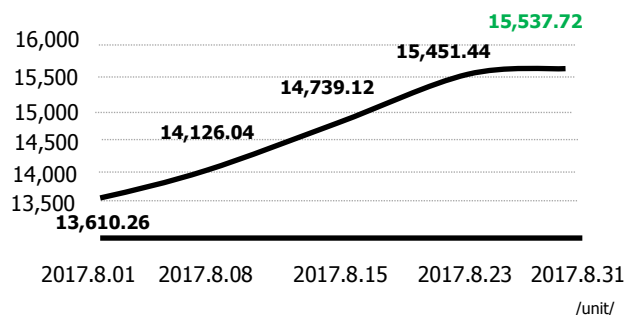
Market capitalization



MSE ALL index



TOP-20 index



Listed Companies

1. Number of listed companies	220
<i>State owned /100%/</i>	19
<i>Partially state owned</i>	12
<i>Private</i>	189
<i>Tier I</i>	7
<i>Tier II</i>	45
<i>Tier III</i>	167
<i>Unclassified</i>	1

Member securities Companies

1. Number of member securities companies	58
<i>Broker-Dealer</i>	58
<i>Underwriter</i>	24
<i>Investment advisory</i>	14

Most active member securities companies

/2017.08.01-2017.08.31/

Сим бол	Company Name	Buy		Sell		Total Value /buy, sell/
		Volume /	Value /MNT/	Volume /unit	Value /MNT/	
1	BDSEC	1,259,104	1,687,039,194.12	1,390,198	1,939,111,896.15	3,626,151,090.27
2	GOLOMT CAPITAL	525,765	185,899,198.66	922,873	383,762,478.45	569,661,677.11
3	STANDART INVESTMENT	167,828	174,188,750.62	363,873	140,098,693.80	314,287,444.42
4	ARD CAPITAL GROUP	596,067	269,423,828.40	55,030	24,823,431.50	294,247,259.90
5	BUMBAT ALTAI	279,845	184,503,302.10	154,903	107,067,178.50	291,570,480.60
6	TDB CAPITAL	220,686	123,651,731.30	181,668	93,756,639.46	217,408,370.76
7	NOVEL INVESTMENT	219,956	185,078,117.70	10,437	8,505,600.00	193,583,717.70
8	BLOOMSBURY SECURITIES	42,866	27,505,455.00	98,388	58,094,942.00	85,600,397.00
9	MICC	51,623	77,771,130.00	900	432,000.00	78,203,130.00
10	ARD SECURITIES	79,520	51,973,680.93	33,101	12,053,255.50	64,026,936.43
11	TULGAT CHAMDMANI BAYAN	9,101	20,910,490.15	19,312	42,208,550.15	63,119,040.30
12	GAULI	101,692	33,594,636.70	28,374	28,079,282.00	61,673,918.70
13	MONSEC	43,177	25,162,237.00	44,142	31,694,009.00	56,856,246.00
14	TESO INVESTMENT	31,588	17,136,262.03	110,465	35,079,077.00	52,215,339.03
15	MIRAE ASSET MONGOLIA	721	6,425,700.00	6,678	45,380,700.00	51,806,400.00
16	TAVANBOGD	1,090	10,851,600.00	2,739	37,676,055.00	48,527,655.00
17	SANAR	10,137	3,610,030.00	101,715	42,795,293.00	46,405,323.00
18	MIBG	93,151	18,201,060.00	125,358	22,099,916.00	40,300,976.00
19	LIFETIME INVESTMENT	2,722	15,282,200.00	2,911	20,391,560.00	35,673,760.00
20	ZERGED	5,386	7,444,189.00	33,341	22,332,445.00	29,776,634.00

Most actively traded securities

/2017.08.01-2017.08.31/

№	Sym- sol	Name of securities	Volume /unit/	Value /MNT/	High	Low	Closing	Change /unit/	Change /%/
1	APU	APU	1,785,845	756,025,112.20	498.00	355.10	451.92	65.26	16.88
2	SHV	SHIVEE OVOO	692,075	1,402,971,764.00	2,500.00	2,005.00	2,100.00	60.00	2.94
3	SUU	SUU	539,744	87,811,654.40	170.00	140.00	160.39	22.97	16.72
4	JTB	GENCO TOUR BUREAU	186,071	11,445,675.24	68.00	58.00	58.65	-11.35	-16.21
5	RMC	REMICON	129,526	5,430,770.09	45.00	40.20	41.69	-3.29	-7.31
6	HGN	KHUKHGAN	118,759	9,552,606.20	95.00	75.10	80.00	-2.66	-3.22
7	TTL	TAVANTOLGOI	64,229	470,014,365.00	9,190.00	5,360.00	7,640.00	2,290.00	42.80
8	MNP	MONGOL POST	41,159	15,833,958.00	388.00	383.00	385.02	2.02	0.53
9	HRM	HERMES CENTER	34,392	4,982,159.00	155.00	140.00	144.79	4.79	3.42
10	UID	ULSIIN IKH DELGUUR	30,909	15,424,615.00	520.00	473.00	500.00	29.00	6.16
11	MDR	FRONTIER LAND GROUP	24,580	9,217,220.00	375.00	374.00	375.00	-0.05	-0.01
12	MMX	MAKHIMPEX	18,481	44,340,485.00	2,500.00	2,380.00	2,400.00	-49.00	-2.00
13	HBZ	HUNNNU MANAGEMENT	16,200	93,150.00	5.75	5.75	5.75	0.75	15.00
14	BAN	BAGANUUR	14,085	27,780,167.00	2,230.00	1,821.00	2,183.00	263.00	13.70
15	HBO	HAI BI OIL	10,094	882,121.45	100.00	85.00	85.20	-14.80	-14.80
16	MIB	MONINJBAR	7,425	1,326,042.00	183.00	170.00	180.00	22.00	13.92
17	SHG	SHARYN GOL	7,410	16,633,783.00	2,530.00	2,130.00	2,439.00	303.00	14.19
18	HRL	KHERLEN KHIVS	7,202	421,728.15	68.00	58.00	58.15	-21.85	-27.31
19	BUK	UB-BUK	7,194	3,258,242.00	488.10	425.00	488.01	63.01	14.83
20	MCH	TELECOM MONGOLIA	6,780	3,549,025.00	569.00	500.00	540.00	49.00	9.98

Most advanced stocks

/2017.08.01-2017.08.31/

№	Name of company	Volume /Unit/	Closing price		Change /MNT/	Percentage change
			2017-07-03	2017-07-31		
1	TAVANTOLGOI	64,229	5,350.00	7,640.00	2,290.00	42.80
2	BAYANTEEG	15	11,500.00	15,200.00	3,700.00	32.17
3	EUROASIA CAPITAL HOLDING	8	64.65	83.00	18.35	28.38
4	MEREX	1,559	51.70	61.90	10.20	19.73
5	APU	1,785,845	386.66	451.92	65.26	16.88
6	SUU	539,744	137.42	160.39	22.97	16.72
7	MONGOL ALT	356	6,170.00	7,200.00	1,030.00	16.69
8	AUTO IMPEX	72	2,400.00	2,780.00	380.00	15.83
9	KHAR TARVAGATAI	202	7,800.00	9,000.00	1,200.00	15.38
10	HUNNU MANAGEMENT	16,200	5.00	5.75	0.75	15.00
11	TAVILGA	6	1,200.00	1,380.00	180.00	15.00
12	UB-BUK	7,194	425.00	488.01	63.01	14.83
13	MONGOL KERAMIC	3	9,000.00	10,300.00	1,300.00	14.44
14	SHARYN GOL	7,410	2,136.00	2,439.00	303.00	14.19
15	KHUVSGUL ALTAN TUULGA	13	2,672.00	3,050.00	378.00	14.15
16	MONINJBAR	7,425	158.00	180.00	22.00	13.92
17	BAGANUUR	14,085	1,920.00	2,183.00	263.00	13.70
18	OLLOO	105	75.00	85.00	10.00	13.33
19	GOBI	6,088	13,910.00	15,380.00	1,470.00	10.57
20	BERKH UUL	295	850.00	939.50	89.50	10.53

Most declined stocks

/2017.08.01-2017.08.31/

№	Name of company	Volume /Unit/	Closing price		Change /MNT/	Percentage change
			2017-07-03	2017-07-31		
1	KHERLEN KHIYS	7,202	80.00	58.15	-21.85	-27.31
2	KHISHIG UUL	38	1,400.00	1,030.00	-370.00	-26.43
3	GAN KHIITS	114	14,500.00	12,000.00	-2,500.00	-17.24
4	GENCO TOUR BUREAU	186,071	70.00	58.65	-11.35	-16.21
5	MONNOOS	127	1,790.00	1,500.00	-290.00	-16.20
6	UVS CHACHARGANA	70	752.81	640.00	-112.81	-14.99
7	DARKHAN	5	5,020.00	4,270.00	-750.00	-14.94
8	KHAI BI OIL	10,094	100.00	85.20	-14.80	-14.80
9	MONGOL NEKHMEL	409	3,740.00	3,200.00	-540.00	-14.44
10	E-TRANS LOGISTIC	5,401	108.87	94.99	-13.88	-12.75
11	SOR	77	1,130.00	999.92	-130.08	-11.51
12	BAYALAG NALAIKH	1,550	170.00	151.00	-19.00	-11.18
13	NEKHEESGUI EDLEL	211	2,250.00	2,000.00	-250.00	-11.11
14	REMICON	129,526	44.98	41.69	-3.29	-7.31
15	DARKHAN KHUVUN	1,082	18,000.00	17,000.00	-1,000.00	-5.56

"HERMES CENTRE" JSC TO PAY DIVIDENDS

In accordance with Board Resolution No.3 of "Hermes Centre" JSC (HRM) dated August 2, 2017, "[Hermes Centre](#)" JSC announced that the Company will distribute MNT300 million to its shareholders from its net profit for the first half of the year by a dividend of MNT3.81 per share. The record date is August 21, 2017 and the dividends will be placed in the shareholders' accounts held at Mongolian Central Securities Depository starting from August 31, 2017.

GOVERNMENT SECURITIES AUCTIONED BY COMPETITIVE BIDDING

Government securities issued through the Mongolian Stock Exchange were auctioned by competitive bidding during 2010-2011, and then by non-competitive auction starting from 2014 when the bond trading resumed at the stock exchange.

In relation to the re-adoption of a competitive bidding to the primary market trading of Government securities from July 2017, the "Guidance on organizing Government securities primary market trading" of the Mongolian Stock Exchange was revised and the first issue was auctioned in competitive bidding and traded successfully on the Mongolian Stock Exchange on July 5th, 2017.

As a result of competitive bidding conducted in July, 2017, 9.3 billion tugriks worth of Government securities were successfully traded through 3 trading sessions and a decline in yield to maturity has effectively reduced the state's interest payment to the bondholders by approximately 84.0 million tugriks.

MEMBER BROKERAGE COMPANIES FINANCIAL REPORT FOR 2ND QUARTER OF 2017

According to the provision No.: 4.4.6 of the Membership rules of MSE and the provision No.: 2.4.6.1 of the Membership Agreement, a member securities company shall submit to the stock exchange annual financial statements along with its audit report by March 10th and semi-annual

financial statements by July 25th of each year respectively. As of the 2nd quarter of 2017, 42 member securities companies out of 58 submitted their reports to MSE on time.

During the reporting period of 2017, member securities companies experienced increases of 43% in current assets, 83% in short-term debts, 10% in equity and 23% in total assets respectively, compared to the same period of the previous year.

ATTENTION TO SHAREHOLDERS OF "APU" JSC

The Extraordinary Shareholders' Meeting of "[APU](#)" JSC was held on August 18, 2017 and the following decisions were made according to the proposed agenda:

- establishing a new subsidiary company named "APU Diary" LLC,
- reorganizing the company by merging with the "Evergreen Investments" LLC,
- issuing 321,304,553 units of additional shares by a closed subscription in relation to the merger,
- waiving preemptive rights of the shareholders to purchase the additionally issued shares; and
- amending the Company Charter.

In accordance with the provisions 53 and 54 of the Company Law of Mongolia, "APU" JSC hereby gives a notice that the shareholders who voted against or who did not participate in the voting have become entitled to demand that the Company to redeem its shares with respect to the above mentioned decisions.

The shareholders can present its demand for redemption to the company at the price of MNT 360 per share until September 29, 2017 by contacting "APU" JSC or "BDSec" JSC at the following address:

- "APU" JSC's Building, Chingis Avenue, 2nd khoroo, Khan-Uul District, Ulaanbaatar, contact phone: 11-344837

- "BDSec" JSC's building, 27/1, Youth Avenue, 8th khoroo, Sukhbaatar District, Ulaanbaatar, contact phone: 11-313108, 99010288

MSE NOTIFIES MARKET PARTICIPANTS TO MEET FTSE RUSSELL REQUIREMENTS

In September 2012, Mongolia was placed on the FTSE Watch List for possible classification as a Frontier Market and we, the market participants and professionals, were delighted for this opportunity of our market to be designated as eligible Frontier market. However, Mongolia is still Unclassified within the FTSE Country Classification Scheme due to the pre-funded settlement cycle and absence of Delivery versus Payment mechanism. FTSE Russell informed its intention to remove Mongolia from the Watch List due to the limited progress over recent years against the outstanding criterion requirements, as reported previously.

In relation to this, the representatives of the Mongolian Stock Exchange JSC - Chairman N.Manduul and CEO Kh.Altai, held a meeting with officials of FTSE Russell London in April 2017 and requested their consideration for retaining Mongolia on the Watch List at the September 2017 Annual Review and voiced the commitment to taking all reasonable measures to readopt T+3 settlement cycle.

In order to meet the requirements for Frontier Market status, MSE formed a working group consisting of the Clearing House, Central Securities Depository and Mongolian Association of Securities Dealers and is actively working towards revising the rules and regulations required for the readoption of the T+3 settlement cycle and the introduction of Delivery versus Payment (DvP) mechanism and continuously reporting the progress of its implementation to the FTSE Russell Country Classification Advisory Committee through conference calls.

The most recent update to the FTSE Russell Committee was given on the August 8th, 2017 and following the meeting, MSE notified the market participants the need to have the settlement rules and regulations approved by the relevant authorities urgently. The retention of Mongolia on the Watch List will be decided by the Annual Country Classification Review in September 2017.

FTSE Russell is one of the two leading global providers of benchmarking, analytics and data solutions for investors and if Mongolia achieves Frontier market status, this would open doors of the Mongolian capital market to international institutional investors with approximately 3.5 trillion US dollars capital under management.

"TALKH CHIKHER" JSC PRESENTS ITS 2017 SEMI-ANNUAL OPERATIONAL AND FINANCIAL REPORT TO PUBLIC

"Talkh Chikher" JSC, a Tier 1 listed company, presented its semi-annual financial and operational report to the public on August 17th, 2017 at MSE.

"Talkh Chikher" JSC is one of the leading manufacturers of food industry in Mongolia, produces bread, pastries, candies, and biscuits in Mongolia. It has been operating for 33 years and offers variety of products including 20 different types of bread, 30 types of pastries, 10 types of sweet and solid cookies, 2 types of soft candy, marmalade and 10 sorts of chocolate assortments.

Within the framework of introducing world class technology advancements to its manufacturing process, the Company achieved the ISO9001 Quality Management Certificate, ISO17025 Laboratory Accreditation and ISO22000 Food Safety Certificate. It has introduced the J4 multi-line type liners of production, which is the only one operating in Mongolia, as well as Italian flour system and silos to its manufacturing process.

The Company's net profit rose by 1.4% to 675.7 million tugriks from a year earlier.

SUU JSC PRESENTS ITS 2017 SEMI-ANNUAL OPERATIONAL AND FINANCIAL REPORT TO PUBLIC

"Suu" JSC, a Tier 1 listed company, presented its semi-annual financial and operational report to the public on August 24th, 2017 at MSE.

On June 29th, 2017, "Suu" JSC raised MNT 6 billion successfully on the Mongolian Stock Exchange through its Mongolia's largest-to-date corporate Bond named "Suu Bond".

As of the end of the reporting period, the company has achieved the following results:

- A new product named Biofit yogurt has been introduced;
- Production level has increased by 19.4% reaching 13,500 tonnes compared to the same period of the previous year;
- The number of customer complaints has been reduced by 53.9% as a result of increase in distribution vehicles and improvement of the service delivery; and
- Sales revenue has grown by 10.2% reaching MNT 24.0 billion and net profit has increased by 43% to MNT2.3 billion compared to the same period of the previous year.

"Suu" JSC informed that the Company will aim at introducing more technologic advancements to its manufacturing process and carrying out innovative and eco-friendly operations and will provide quarterly updates on operational and financial performances to public.

"MIK HOLDING" JSC PRESENTS ITS 2017 SEMI-ANNUAL REPORT

"MIK Holding" JSC, a Tier 1 listed company, presented its semi-annual financial and operational report to the public on August 25th, 2017 at MSE.

"MIK Holding" JSC was established in 2006 as "MIK OSSK" LLC by the Bank of Mongolia and 10 commercial banks for the purpose of developing the secondary market of domestic mortgage market and then became a listed company in 2015.

In the first half of 2017, "MIK Holding" JSC owned a portfolio of revocable mortgage loans worth of 33.8 billion tugriks, and issued residential mortgage-backed securities of 2,451.7 billion tugriks. The company's equity capital increased by 12.7 percent reaching 160.4 billion tugriks, while, the net profit grew by 18 percent to 36.1 billion tugriks compared to the same period of previous year. In 2017, the Company introduced the Information Security Standard ISO 27001:2013 in its operation and achieved the Certification.

The company informed that it will aim at becoming an internationally standardized organization with a sustainable business model to promote contemporary urbanization and housing in Mongolia, to raise financial resources from domestic and international markets to increase the types and quantities of portfolio, to search possibilities to issue new products and services, and to purchase 1 trillion tugriks worth of mortgage loans and issue 0.9 trillion tugriks worth of mortgage backed securities.

"SUU" JSC TO PAY DIVIDENDS

According to the Board of Directors meeting of "Suu" JSC held on 04 August 2017, "Suu" JSC announced that the Company will distribute MNT3.44 billion to its shareholders by a dividend of MNT10.00 per share.

The record date is April 05, 2017 and the dividends will be placed in the shareholders' accounts held at Mongolian Central Securities Depository starting from September 04, 2017.

SECURITIES TRADING OF "DARKHAN HOTEL" JSC SUSPENDED

In accordance with the official notification No.80 of the FRC State Inspector dated August 29, 2017, "Darkhan Hotel" JSC's securities trading has been suspended starting from August 29, 2017.



"GOBI" JSC PRESENTS ITS 2017 SEMI-ANNUAL REPORT TO PUBLIC AT MSE

"Gobi" JSC, a Tier 1 listed company, presented its semi-annual financial and operational report to the public on August 30th, 2017 at MSE.

"Gobi" JSC is working towards becoming the No.1 seller and producer of 100% cashmere coats. Its sales revenue increased by 35% to 33.9 billion tugriks and net profit grew by 7% to 3.4 billion tugriks compared to the same period of the previous year.

As of the end of the reporting period, the company has achieved the following results:

- Expanded its foreign market share by opening branch stores in Erlian and Brussels;
- Opened its online store (www.gobicashmere.com);
- Opened its new factory of sewn products which enabled the company to produce 1000 coats per year;
- Awarded the State Gerege - Top National Manufacturer by the Office of the President of Mongolia; and
- Resumed its factory operation from June 24th, 2017 or within 10 days after the fire caught on the factory roof, with the assistances of the National Emergency Management Agency, Water Supply and Sewerage Authority and partner organizations.

"Gobi" JSC informed that the Company will aim at opening more branch stores abroad and implementing franchising strategy according to the geographic and market characteristics, increasing its branch stores to 100 and its brand stores to 20 by 2021 as well as will provide quarterly updates on operational and financial performances to public.

"APU" JSC PRESENTS ITS 2017 SEMI-ANNUAL REPORT TO PUBLIC AT MSE

"APU" JSC, a Tier 1 listed company, presented its semi-annual financial and operational report to the public on August 30th, 2017 at MSE.

In the first half of 2017, the company has achieved the following results:

- Net sales revenue rose by 12% reaching 108.4 billion tugriks;
- Net income grew by 63% reaching 15.9 billion tugriks,
- The Company paid 60.8 billion tugriks for taxes;
- APU repaid \$7.9 million, or 19.1 billion tugriks of debt, and plans to similar repayments in the second half of 2017;
- During its shareholder meeting on August 18th 2017, APU made several strategic decisions including: establishing "APU Dairy" LLC., reorganizing the company by merging with the "Evergreen Investments" LLC, and issuing 321,304,553 units of additional shares by a closed subscription.

The Company announced that it will strive to further innovate, improve its successes, and generate steady growth while improving its transparency and setting new standards of disclosure.

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